

REPLACEMENT HOUSING PLAN
VETERAN'S VILLAGE OF SAN DIEGO
REDEVELOPMENT PROJECT

INTRODUCTION

As part of the redevelopment of the North Bay Redevelopment Project Area, the Redevelopment Agency of the City of San Diego [Agency] has undertaken the implementation of Veteran's Village of San Diego [Project]. The Agency currently has a Disposition and Development Agreement [DDA] for the Project with Vietnam Veteran's of San Diego [VVSD] and has proposed a First Implementation Agreement to the DDA. The First Implementation Agreement will contribute up to \$4.35 million of Agency funds to the Project for Phase II as well as acquire the land required for Phase III of the Project. Of the total \$4.35 million Agency contribution, \$4.2 million will be funded by the North Bay Redevelopment Project Area and the remaining \$150,000 will be funded by the Naval Training Center (NTC) Redevelopment Project Area through the NTC Homeless Agreement. The First Implementation Agreement proposes that certain acquisition and demolition activities occur as described below.

The project site, located at 4141 Pacific Highway, is comprised of approximately five acres bounded by Witherby Street, Pacific Highway, Coutts Street and the railroad tracks east of Kurtz Street. The proposed overall project will expand the existing VVSD operations from 87 beds to 364 beds (224 resident beds and 140 transitional beds) in three phases. The total project includes 81,330 square feet of new buildings that are planned to be dedicated to administrative and operations support facilities. Combined with the existing buildings that will be rehabilitated, the total project area is 92,130 square feet. The proposed project will also include administrative and operations support facilities as well as a central courtyard, garden, exercise areas, counseling center, employment/education center, kitchen/dining facility, out-patient care, and staff offices. One hundred twenty-five (125) new on-site parking spaces will be provided as part of the project. As stated above, the project is being developed in three phases as follows:

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| Phase I: | 112 transitional housing beds (19,700 sq. ft. both phases)
9,900 sq. ft. counseling center
5,200 sq. ft. kitchen/dining hall |
| Phase II: | 112 transitional housing beds
12,848 sq. ft. employment center/admissions building |
| Phase III: | 24, 3-bedroom affordable apartments which will include 140 transitional beds
10,800 sq. ft. renovated warehouse |

The proposed project complies with the current California Building Code that includes comprehensive accessibility and adaptability requirements for new construction development. In addition, all projects that utilize Federal funds, in any amount, are required to provide five percent (5%) of the units, or 6 units, with full accessibility features complying with the

prevailing edition of ANSI A117.1 and other applicable federal, state or local standards in effect at the time of permit application. Veteran's Village Project will contain a total of 8 fully accessible units, exceeding the federal requirement for accessible units. The Construction of Phase I of the Project has been completed. The proposed First Implementation Agreement proposes funding for Phase II and acquisition for Phase III.

California State law requires that the Agency replace low and moderate-income housing units. California Health and Safety Code¹ section 33413 states:

(a) Whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low- and moderate-income housing market as part of a redevelopment project which is subject to a written agreement with the agency or where financial assistance has been provided by the agency, the agency shall, within four years of the destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed or constructed, for rental or sale to persons and families of low or moderate income, an equal number or replacement dwelling units that have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the agency . . . When dwelling units are destroyed or removed on or after January 1, 2002, 100 percent of the replacement dwelling units shall be available at affordable housing cost to persons in the same or a lower income category (low, very low, or moderate), as the persons displaced from those destroyed or removed units.

This document constitutes the Replacement Housing Plan for Veteran's Village of San Diego and was prepared pursuant to Section 33413.5 which requires that a Replacement Housing Plan include: 1) the general location of the replacement housing to be rehabilitated, developed, or constructed; 2) an adequate means of financing such rehabilitation, development, or construction; 3) a finding that the replacement housing does not require the approval of the voters pursuant to article XXXIV of the California Constitution or that such approval has been obtained; 4) the number of dwelling units housing persons and families of low or moderate income planned for construction or rehabilitation; and 5) the timetable for meeting the plan's relocation, rehabilitation, and replacement housing objectives.

REPLACEMENT HOUSING REQUIREMENTS

1) GENERAL LOCATION OF REPLACEMENT HOUSING

Phase II of Veteran's Village of San Diego will demolish 87 existing rehabilitation beds and replace them with 112 transitional rehabilitation beds. The proposed project will result in a net increase of 25 transitional rehabilitation beds.

¹ All statutory references are to the California Health and Safety Code unless otherwise specified.

2) MEANS OF FINANCING REPLACEMENT HOUSING

The Agency is currently in negotiations with VVSD for a First Implementation Agreement to the DDA that will provide for the development of Phase II of the Project. It is anticipated the First Implementation Agreement will be considered by the Redevelopment Agency/City Council in January 2007. The source of financing for the replacement housing is anticipated to be a combination of Federal, Local, Agency and City of San Diego Housing Commission funds. All funds proposed for the Project are depicted in the table below.

Development Costs ⁽¹⁾	\$9,104,526
Source of Funds	
Redevelopment Agency loan	\$4,200,000
San Diego Housing Commission loan	\$3,488,951
HUD-EDI revocable grant	\$745,575
Redevelopment Agency (NTC grant)	\$150,000
County of San Diego grant	\$200,000
VA grant	\$320,000
Total Sources	\$9,104,526

(1) Development costs include land costs and relocation expenses.

3) CALIFORNIA CONSTITUTION ARTICLE XXXIV

Article XXXIV of the California Constitution [Article XXXIV] requires that a majority of the voters approve, in an election, the development, construction or acquisition of a low rent housing project by any state public body. The Redevelopment Agency of the City of San Diego is a state public body as defined in Article XXXIV. In an election held on November 5, 2002, a majority of voters approved Proposition A which allowed for the development, construction and/or acquisition of up to 5,000 dwelling units on scattered sites for low-income persons including but not limited to low-income elderly or low-income disabled persons. The California Supreme Court held that ballot measures such as these comply with the requirements of Article XXXIV. According to staff at the San Diego Housing Commission, the number of low rent housing units in San Diego, as defined in Article XXXIV and Sections 37000 through 37002, does not exceed the number approved by the voters. Therefore, this replacement housing complies with Article XXXIV.

4) NUMBER OF REPLACEMENT HOUSING UNITS

The housing component of Veteran's Village Phase II consists of 112 transitional housing beds for homeless veterans. Of the 112 beds, 34 beds will be affordable to extremely low-income tenants with incomes at 30 percent or less of Area Median Income (currently \$14,500), 62 beds will be affordable to very low-income tenants with incomes at 50% or less of AMI (currently \$24,150) and 16 beds will be affordable to low-income tenants with incomes at 60% or less of AMI (currently \$29,000).

**5) TIMETABLE FOR MEETING RELOCATION OBJECTIVES AND
CONSTRUCTION OF REPLACEMENT HOUSING**

In order to comply with Section 33413(a), the Agency must construct or develop or cause the construction or development of the replacement units within four years of the destruction or removal of the dwelling units housing persons and families of low or moderate income.

Demolition for Phase II of the Project is scheduled to begin early 2007. The replacement housing units within Phase II are projected to be ready to occupy by Summer 2008. Therefore, the Agency will accomplish the construction of the replacement units by the developer well within the four-year deadline.